

## Chapter 1 : Style of Management and Leadership

*Soviet-type economic planning (STP) is the specific model of centralized economic planning employed by Marxist-Leninist socialist states modeled on the economy of the Soviet Union. Although there was significant variation among these economies, Soviet-type planning and Soviet-type economies refers to the major structural characteristics common.*

Approval - By Supreme Soviet to give the plan force of law. Implementation of Inconsistent Production Plans  
a. Tolkachy - Agents who located supplies of raw materials and arrange unplanned transactions. Vertical Integration - Self-supply. Political Priorities - Determine the structure of output, and the structure of output determines the required structure of capital stock. Economic Criteria - Used to choose technology after decision to invest is final. Agricultural Organization and Planning 1. Impoverished before by low prices of compulsory deliveries. Sovkhoz - State farm, organized like an industrial enterprise. Management was appointed by the government and workers were paid by a wage and bonus system. Private Plots - Gardens assigned to agricultural or industrial workers. Denounced by Stalin, but supported by Gorbachev. Foreign Trade Organization and Planning 1. Price differences cause losses and profits for FTOs, which are canceled by governmental taxes and subsidies. Weaknesses of Planned Foreign Trade a. Unpredictable - Foreign conditions change rapidly; cannot be planned; requires flexible and decentralized management. Long-term trade agreements, designed to stabilize trade with socialist countries, were often broken. Incentives - Quantitative output orientation discourages production of high-quality goods that can be sold overseas. Finance, Incentives, and Prices A. Finance system played secondary role in economy based on physical output targets. Profit-oriented planning could conflict with political priorities. Control by the ruble - surveillance of enterprises by the unitary State Bank to monitor and enforce plan fulfillment. Business Sector - Enterprises receive sufficient income to cover payroll and cost of production. Failing business are subsidized and successful ones are highly taxed. International Sector - Reflected in the balance of payments. Balance of the Government - Planned in the state budget. Business profit was the largest revenue source and business subsidies were the largest expenditure source. The Incentive System 1. Coercive and moral incentives were used extensively, but relative importance of material incentives grew through the years. Higher authorities determined the number of workers and the average wage that an enterprise could hire and pay. During Planning - Bonus system caused managers to misrepresent input needs and production capacity and bargain for easy targets. During Plan Fulfillment - Managers avoided overfulfilling targets to avoid higher targets in future. The Price System 1. Prices set by State Price Committee, changed infrequently. Prices interacted with managerial incentives through value-based plan targets and financial balances. Enterprises with above-average costs immediately ran losses, requiring state subsidies. Provided little incentive for enterprises to respond to consumer demand. Poor guides for investment and foreign trade decisions. Retail prices - Initially set to equate quantity demanded with quantity supplied as controlled by planners, with adjustments to redistribute purchasing power from the rich to the poor. Shortages, long lines, black-market activities, encouraging corruption and dilution of work incentives. Budgetary problem when many wholesale prices exceeded retail prices. The Second Economy A. Unplanned production and exchange. Partly legal, but, even after, Soviet Union forbade: Some illegal activities were massive, requiring bribes and corruption. System provided benefits and costs, and represented between 10 percent and 20 percent of GNP. Lingering effects on entrepreneurial skill and legal culture. Performance of the Central Planning System A. Plan Fulfillment and Economic Growth 1. No clear evidence of accelerated long-term growth, compared to the pre-Soviet era. Soviet authorities claimed achievement of actual growth nearly equal to planned growth, but conceded that long-term agricultural growth was less than half the planned average. Western estimates indicate that none of the Soviet medium-term national income plans were fulfilled, that average growth rate between and was little more than half the planned average, and that shortfalls were largest in agriculture. Frequent plan revisions caused many to question whether Soviet Union was, in fact, "centrally planned. During s, caused entirely by a deceleration of factor productivity. During s and s, caused equally by slower input growth and negative

productivity growth. Slower factor productivity; b. Depletion of accessible natural resources. Slower growth of technological progress. Aging capital stock e. Strain on central planning in larger economy and more complex environment. Industrial development had high priority beginning in late s, with initial success in many sectors, contributing to military superpower status. High priority of heavy military-industrial production postponed development of agriculture, industrial consumer goods, services, and housing. Emphasis on quantitative plan targets provided little incentive for product quality or technological sophistication. Central planners encouraged creation of very large, monopolistic enterprises: Agricultural Performance -- perhaps the worst failure of Soviet-style system. Low priority for agricultural infrastructure. Climate, inferior to American corn belt. Inflexibility of central planning. Employment and Labor Mobility 1. Indeed, the system generated apparent labor shortages, overstaffing, and "unemployment on the job. Stalin-era restrictions on labor mobility, reduced after mids. Income Distribution and Poverty 1. Inequality persisted, as income rewarded plan fulfillment, skill, and high-priority professions. Inequalities reduced through price subsidies, public goods, small wage differentials. Morrisson found that Czechoslovakia had most equal distribution of income in the world. Former USSR had more uneven income distribution than its neighbors in central and eastern Europe; its level of inequality was comparable to the average level of inequality of the OECD countries. Before s, high stability, low inflation. Starting in s, problems in reform-oriented Yugoslavia, Poland, and Hungary. Foreign Economic Relations 1. System prevented trade based on comparative advantage. Poor incentives for high-quality export production. In principle, planning should allow environmental protection. In fact, degradation caused by: Tragedy of the commons VII. Transactions Matrixâ€”Each row shows how the gross output of a particular sector was distributed through the economy B. Technology Matrixâ€”Obtained by dividing the inputs in the first three columns by the gross outputs of the sectors that use them, we obtain a matrix of direct input coefficients, denoted by the letter A: Result - Provides gross outputs that are necessary to provide a vector of final demands to consumers. Tables were not compiled with sufficient frequency or detail. Built inefficiency of past into plans for future. Provided for consistency but not optimality.

**Chapter 2 : Faculty blasts proposed 'Soviet-style' changes in MnSCU management - calendrierdelascience**

*In successive chapters, the author discusses many aspects of Soviet style in management, including inaction, not going to the end, scattering, intermittence, wasting time, failure to calculate, unevenness, lack of cohesion, superiors' rage and remoteness, and fear and fear of fear.*

Among the important applications of contemporary leadership theories is the articulation of organizational leadership in diverse societies. While much has been done on leadership attributes and behaviors in industrialized countries, it is clear that in countries in transition to democracy and the free market leaders follow their own customs to encourage, motivate, and enable others to contribute to the success of the organizations of which they are members. However, these findings were neither placed into a larger international comparative framework nor linked to universal leadership attributes for comparative purposes. This paper presents findings on organizational leadership in Russia from the large-scale cross-cultural research program, Global Leadership and Organizational Behavior Effectiveness GLOBE , conducted in 62 countries. The program is based on a culturally endorsed implicit leadership theory CLT that focuses on beliefs about effective leaders shared by members of an organization or society House, , . After reviewing the historically developed sources of effective leadership in Russia, the remainder of the article presents our empirical findings and relative scores on leadership dimensions that are universally perceived as contributors to or inhibitors from outstanding leadership. Genesis of Russian Organizational Leadership Modern societal culture in Russia is determined by three sets of factors: These factors may help to predict the profile of an effective Russian organizational leader. Historically developed characteristics of Russian culture are rooted in Slavic history, Orthodox religion, specific features of natural environmental, and unique social capital. Through the centuries, Russia has integrated basic values of both the West and the East "reason and inspiration. It has served as a bridge between Western and Eastern cultural traditions with a certain psychological dependence on both. Its national character combined such qualities as habitual, patient struggle with misfortune and hardship; the ability to concentrate efforts; the ability to cooperate across a large geographic distance, impersonal collectivism; humanism; and the search for truth Chaadaev, ; Kluchevskii, While Russia was growing through the centuries, its leaders were traditionally associated with the state, religion, or the military. The Russian Orthodox Church greatly influenced society, and several spiritual leaders were deified. Later, the economic liberalism of Catherine the Great attracted the highest-ranking Russian nobles to entrepreneurship. The industrial revolution in the 19th century brought the real spirit of private initiative and leadership to Russia. Talented business leaders such as Morozov, Knopp, and Ryabushinski founded successful business empires in Russia and introduced many organizational innovations, including charitable initiatives. In the 20th century under Communism, in contrast to the West, Russia appeared to have largely retained, even in periods of rapid industrial expansion, an autocratic or patrimonial system single-centered. However, even within the Soviet command system, there existed a vigorous level of entrepreneurial response and positive leadership heritage, including military victories in the Second World War, courageous behaviors, and great technical projects. In the s, the transitional Russian economy was run by a small number of financial-industrial groups, arguably more powerful than the state. Later, in the early s, the political and economic landscape experienced a new shift. One of the major consequences of these changes was strengthened state control over economic development at the expense of democratic institutions. Business leaders and managers in Russia are motivated by one or a combination of the following business philosophies: The current transitional economy makes the carriers of those business philosophies very diverse, with a variety of economic and political interests. In the literature, a number of similar typologies exist to differentiate these carriers. While the typologies often do not go far beyond informal observations, they help to better explain the diversity of the Russian management community. Our typology identifies Old Guard, New Wave, and International Corps by linking their root characteristics to the stages of Russian business history Ageev et al. The first group, the Old Guard, consists of those who proved their talents as leaders in large-scale projects such as managing technological innovations. The Old Guard exploit their access to key decision-making centers and information and use bureaucratic

connections and control of resources. These people still keep leading positions in large industrial corporations or in internationally competitive sectors of the economy oil-and-gas, aerospace, shipbuilding, and others. The second group, the New Wave, emerging from economic reform, follows a different road to economic independence by searching for innovations and reflecting advanced economic thinking. They are leaders of the former shadow economy, which has been being increasingly legalized and are former Communist party functionaries or military officers who successfully transformed into businessmen. A large proportion of this group is young people, hungry for entrepreneurial success. Another group of people, who can be called Unwilling Entrepreneurs, are forced to take initiatives due to fear of unemployment and are now involved primarily in small-scale trade transactions. Finally, there is a group of foreign businessmen International Corps that operates in the Russian market, including representatives of the Russian diaspora. A similar system of categorizing Russian business leaders is suggested by M. He identifies two groups separated by a substantial generation gap. In the first group he places young enthusiastic, talented people who recognize the opportunities of the new open society. This group includes former black marketers turning to legitimized business and the children of Party nomenklatura. The administrators and bureaucrats who used to supervise the Soviet economy in the past make up the second group. However, this second group is not homogeneous. One subgroup includes a well connected business elite, retaining privileged positions. The other subgroup among the older generation is focused on self-preservation, making superficial adjustments to maintain their status, often giving only lip service to the new economy. The central GLOBE proposition is that attributes and entities that distinguish a given culture from other cultures are predictive of the practices of organizations of that culture and predictive of the leader attributes and behaviors that are most frequently enacted, acceptable, and effective in that culture. Cultural values and practices were measured on a 7-point response scale with respect to nine cultural dimensions that display high within-culture and within-organization agreement and high between-culture and between-organization differentiation: The determination of cultural aggregation was justified by measures that compare the observed variance within a society to the variance expected if there is no within-society agreement. The ICC 1 statistic provided information on the appropriateness of aggregation, comparing the variance between societies with the variance within societies. The reliability of scales was assessed with respect to two random error sources internal consistency and interrater reliability. GLOBE provided evidence that people from different cultural groups societies share a high level of agreement on their beliefs about effective leadership and that significant statistical differences exist among cultural groups in their beliefs about leadership. These shared beliefs may be described by the CLT leadership profile. GLOBE research has also identified 21 specific leadership attributes and behaviors that are universally viewed as contributors to or inhibitors from effective organizational leadership. Based on second-order maximum likelihood exploratory factor analysis, the following factors that constitute six global leadership dimensions were identified. Two were found as universal contributors to effective leadership: Two factors were found as culture-sensitive contributors to effective leadership: Two were culture-sensitive impediments to effective leadership: And the countries were also placed into bands high A to low D in such a way, that their scores within the same band were statistically not significantly different from each other. Within the GLOBE research we operationally measured the Russian cultural and leadership profile by assessing questionnaire responses from middle managers in three industries telecommunications, food processing, and financial services with respect to a the values they endorse and b reports of practices of entities in their societies. The average age of respondents was The average employment profile of managers was as follows: The average educational level Twelve percent of all respondents received some training in Western management concepts and techniques. Russian CLT Profile The overall profile of a Russian organizational leader on globally endorsed leadership dimensions is displayed in Figure 1. Appendix 1 and 2 contain quantitative data. This was interpreted as only slightly contributing to outstanding leadership. One major reason for the low score on value-based leadership is the current societal transformation in Russia; many beliefs that dominated under Communism are eroding, and the value structure has been transforming radically in the last two decades. Different groups with different leadership philosophies and values are replacing the homogenous Soviet system. But transformative new values and beliefs that go far beyond technocratic or predatory philosophies

have not yet emerged in the corps of business leaders and managers. The Russian score on this dimension is lower than the East European mean 5. Global culturally endorsed implicit leadership CLT scores for Russia circles " maximum mean, squares " minimum mean within 62 countries. Considering the relative vacuum of societal values and the high uncertainty regards the economy and society, the ability of leaders to formulate a vision on the organizational level is critical for the followers in the organization. In the range of factors slightly contributing to effective leadership, we found Performance-Oriented 5. Team Orientation Emphasis on effective team development and collective implementation of a common goal is central to the GLOBE interpretation of the second universal contributor to effective leadership. This second order dimension did not display an optimistic assessment of Russia, as well. Its Team-Oriented score was 5. In the East European cluster it was lower than the group mean 5. While Russia has been long stereotyped as a collectivist country, GLOBE cultural scores display its transition to a more individualistic society. The vector of teamwork and group dynamics in such a society is not high or critically important to effective organizational leadership. The first order scores prioritize the issues. While Administrative Competence is contributing to effective leadership in Russia 6. This placed Russia with rank 60 into the D band. In the Eastern European cluster the score was lower than the group mean 4. In a transitional economy dominated by survival behaviors, with high corruption and bureaucracy, humanistic values exist in a limited number of companies that emphasize socially responsible philosophies. In the case of Russia, the score on the former was 4. Both scores placed Russia into C band on these first order dimensions. Participative Orientation Involving others in making and implementing decisions, according to GLOBE, universally contributes to effective leadership. The Russian score on this dimension, however, is very low 4. Within the Eastern European cluster, the Russian score was also lower than the group mean 5. Two major reasons support these findings. First, vertical structures and authoritarian decisions are effective in modern transitional Russia. Two first order dimensions explain contribution to Participative orientation. One was the high Autocratic score 4. It placed Russia into A band and did not contribute to effective leadership. The other was Non-Participative 2. Its relative value inhibiting from effective leadership was also high B band. Hence, participation did not play an important role in defining effective leadership. Autonomous The second order dimension, Autonomous, displays independent and individualistic leadership. Many Russian business leaders emphasize their uniqueness and their autonomous performance. The score on this CLT 4. The first-order dimension score Autonomous, 4.

**Chapter 3 : Soviet-type economic planning - Wikipedia**

*RNA Soviet Style in Management Nathan Leites July Prepared for the Director of Net Assessment, Office of the Secretary of Defense.*

The Stalin Model for the Control and Coordination of Enterprises in a Socialist Economy There was no model or theory at the time of the collapse of the Russian Empire for how a socialist economy should function. The economies that claimed to be socialist, such as the Soviet Union, evolved a system that worked sort of but in a very flawed manner. It was called the Stalin model because it evolved during his period of total control of the Soviet Union and therefore its features must have had his approval. Contrary to being a progressive system it was a feudal system of the same sort that a feudal lord would use to manage his self-sufficient estate. The performance of a stalinist enterprise was evaluated on the basis of a set of success indicators. These were quantities such as the number of items produced, the quantity of labor used, the quantity of raw materials used, etc. The central authorities established minimum levels for such things as volume of production and maximum levels for such things as labor and raw materials utilized. These minimum levels were called quotas. Thus the factory manager had a strong incentive to see that the quotas were met. Initially there were 32 success indicators and their quota requirements. It proved typical that the quotas for the success indicators could not all be satisfied at once. Later the number of success indicators was reduced to eight to simplify operation and management. The most important success indicator was the attainment or surpassing of the output of the main products as they are specified in the plan for the enterprise. When possible this output was expressed in physical units such as number, weight or length. Only as a last resort was this output expressed in the value of output. The factory manager focused on the attainment and surpassing of the output target. Clearly this was of the same order of significance for the factory manager as 40 percent of his income. Therefore the production quota was generally the over-riding concern of the factory manager. The work force and wage fund of the enterprise were not subject to adjustment by the factory manager to adapt to current conditions. Instead these were set by a higher authority. The factory managers, of course, tried to inveigle from the higher authorities as large of a work force and wage fund as possible. Likewise the capital investment budget came from an interest-free and nonrepayable grant from higher authorities. But once these are established they are the responsibility of the higher authority. The logic of the system is that the higher authorities gave the enterprise the labor and material resources and it is up to the enterprise manager to get as much production from those resources as possible. The end result is a system in which there is a single-minded focus on production quotas with little regard for quality and cost. One of the most serious flaws of the system was that the tallying up of production for fulfillment of the production quota made no provision for excluding shoddy or defective production. Even completely useless production got counted and ended up being stored in warehouses. Soviet newspapers reported on such things as sunglasses so dark that even the bright sun could not be seen through them. Another notable case was of rain coats that were made with a rubber coating but in which the rubber was improperly vulcanized so that it was sticky. Such coats when folded up could never be unfolded. A more useless product could not be imagined. But probably the most outrageous malfunction of the system was of a factory that fabricated metal products. It had a quota for scrap metal for recycling. The factory was operating more efficiently than expected so it was not generating as much scrap as expected. Since the factory was not meeting its scrap metal quota the higher authorities were going to fine it. So the factor personnel did what to them was rational. They took perfectly good zinc metal sheets and converted them into scrap to fulfill their scrap metal quota. For other examples of how the system operated irrationally in the prison labor system see the Economics of the Gulag. However, not all of the flawed production ended being stored in warehouses. Because of the general shortages of the socialist economies, unless the product was absolutely useless it would be used or get incorporated into other products. This led to a deterioration of quality along the chain of production. The management system was designed by the central authorities. Here is the thinking that went into the system. The Organizational Management Theory The theoreticians of the model articulated three principles of organization and management for socialist enterprises: A degree of autonomy in management

and accounting for the enterprise the *khozraschet* principle One person having power and responsibility for management of an enterprise a principle which Lenin emphasized Multiple external controls and supervision Supervision by authorities within the official organizational hierarchy Supervision by banks. Enterprise working capital must be held as deposits in the National Bank. Payments between enterprises were supposed to be only in the form of bank transfers. Oversight by tax authorities in the course of their collection of taxes on turnover revenue , profit and wage fund. Supervision by the Finance Ministry inspectors who investigate whether an enterprise is complying with the financial plan of the enterprise. The Ministry of State Control executes an annual supervision plan for the enterprise to observe the financial, economic and accounting functioning of the enterprise. The Communist Party cells within the enterprise have supervisory authority. The latter principles indicate that the authorities thought that more supervision would correct the flaws. There were planning committee authorities Gosplans at each level of administration; national, republic provincial , regional and local. These committees were subject to double subordination, which means that the planning committee was subject to the authority of a governmental council at the same administrative level national, provincial, regional and local. Additionally the planning committee was subject to the authority of the planning committee immediately above it in the planning hierarchy. And to make things even more complicated administratively, there were dual hierarchies of the official government organizations and a parallel Communist Party organization. The reaction of the enterprise managers to this web of control was to strive for self-sufficiency and keep secret from the supervisory authority as much as possible. This meant that the enterprises hoarded material and equipment. It also meant that enterprises strove to attain their quotas and exceed them a bit but not by too much in fear that their quota would be raised. The end result was a system which wasted resources and had no incentive or reason to operate efficiently. For material on why the system finally collapsed see Soviet Collapse.

**Chapter 4 : Soviet style - Review of MariVanna Baku, Baku, Azerbaijan - TripAdvisor**

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As a result of the Yalta Agreement, upon the end of the war against Japan, the Soviet Union would regain partial control of the China Eastern Railway in the same arrangement as the original Russian concession from The railway was to be jointly owned and operated by the Soviet Union and Republic of China. The Chinese Civil War had resumed and Manchuria became a battleground once more. These two men alongside the railway managers from the Soviet Union formed the joint management of the CCR, taking control of the railway from the retreating Republic of China. One of the most critically damaged sites was the bridge over the Songhua River in Harbin which had been destroyed by the retreating KMT army. This team of workers and Soviet experts worked alongside Chinese workers to repair the Songhua River Railway Bridge, which reopened in October 24, By January , the remainder of the Chinese Changchun Railway had been reopened for operation, with the railway administration remaining in the joint Chinese-Soviet ownership and management. Soviet victory ensures that the railway stays jointly administered and Soviet owned. By this point in , it appeared like the Communists would soon defeat the Kuomintang, so Joseph Stalin sent Mikoyan, the Minister of Foreign Trade and a Politburo member as a diplomat to discuss the terms of Soviet involvement in a Communist China. The unequal treaties of the past were brought up and Mao Zedong declared that all treaties signed by previous governments of China would not be recognized by a new government led by the CPC. On the subject of the CCR, Mikoyan later recorded: The treaty may not fully reflect the principal of equality, however, I said, we intend to discuss and resolve this issue with the Chinese comrades in a friendly manner. Mao Zedong visited Moscow from December to February to establish closer ties with the Soviet Union as well as to receive economic assistance. With this simple message, Mao told Stalin that Chinese relations with the West were warming, which the Soviet Union did not want, but Mao was also showing that the signing of a new Sino-Soviet treaty would prevent any reproachment between China and the Western Powers. The issue of the Chinese Changchun Railway proved to be a sticking point on the Soviet side of the negotiations. In a report for Stalin in January , Kovalev wrote that "it is not in the interests of the Soviet Union to permit a change in the conditions of the treaty on the Chinese Changchun Railway and that the order for its use as defined by this treaty should be preserved. The Chinese were determined to achieve full sovereignty over the Chinese Changchun Railway and the ports, however they also desired that the Soviet Union make significant capital investments in these properties before eventually returning them to China. In terms of the port at Dalian, it was agreed that the port would also return to China however it would remain a free port to the Soviet Union. The transfer shall be effected immediately after the conclusion of a peace treaty with Japan, but not later than the end of These included credits for the purchase of Soviet-built railway equipment, rails, and mining machinery. These companies at the Chinese Changchun Railway terminals of Manzhouli and Suifenhe provided joint bills of lading, tickets, and shipment for Chinese imports and exports via these important land links. As part of these meetings, the Sino-Soviet Joint Commission was established and released a communique declaring that the commission "should complete the transfer of the CCR to the PRC before December 31, The return of the CCR gave the Treaty legitimacy as it proved that the Soviet Union was good on its word, and was an ally willing to give up crucial economic resources in the name of the Friendship Treaty and Alliance. The majority of Chinese and western scholars have written that "the primary reason the Soviet Union abandoned the rights and interests in the CCR was to establish Sino-Soviet friendship on a reliable basis and turn China into a Soviet strategic ally the Far East. Zhou Enlai summed up at the handover ceremony: This shows that the Soviet government is infinite loyal to the fraternal Sino-Soviet cause The great friendship between China and the Soviet Union becomes more consolidated and developed. In the years following the handover, the CPC emphasized the friendly relationship between the two communist powers and how China should learn from the Soviet Union. The trust required to follow the "Big Brother"

Soviet Union had been firmly established with the handover of the CCR and now spread into all sectors of the alliance. It must be recognized that Furthermore, the entire management of all other railway bureaus, and even the management of the Ministry of Railways would follow the Soviet example as embodied in the CCR. Impacts on the PRC[ edit ] The political impacts of the return of the Chinese Changchun Railway were widespread and reflected several issues of the era. According to historian Zhang Shengfa, the return of this property "removed the fetters imposed on China by the Yalta Agreement and the Sino-Soviet agreements in , obtaining territorial integrity, full Chinese sovereignty, and reviving the national self-esteem and self-confidence of the Chinese people. The CPC could be proud of this achievement and rightly so, as they has regained a piece of property of immense significance. By connecting Manchuria to the rest of China, as well as to two points of the Soviet Railway system, the Chinese Changchun railway was of political, economic, and strategic importance. In terms of political significance, not only did the CPC gain legitimacy by ending unequal ownership, but also they gained control over all transportation in Manchuria, solidifying their new national railway network. Furthermore, the cementing of the Sino-Soviet alliance through the CCR would be extremely beneficial for the new nation. The Sino-Soviet alliance guaranteed China a superpower ally in an era when it was directly fighting the United States in Korea. By controlling the railway, the PRC gained total control of a very strategic part of China, as not only did the CPC control the land but also all of the ways of communication. This monopoly on the logistical lines and lines of communication gave the CPC the means to begin its new agenda of development in Manchuria. Stalin had shown that he was willing to give up Soviet rights to Manchuria in exchange for a military, political and economic alliance with the PRC. By making this alliance, Stalin gained a crucial geopolitical ally in a region where the US had allies in South Korea, Japan, and Taiwan. Stalin had been pressuring the Chinese to take a hard line in the Korean War Armistice negotiations in order to prolong the war in Korea. All rumors and attempts of imperialists to cause a rift in the Sino-Soviet relations are thus utterly crushed. Moreover, it affected the thousands of Soviet citizens living in China and working for the CCR and associated properties. Using the return of the CCR as a sign of goodwill, the Soviet Union also gained huge political capital and bargaining power with the new Friendship Treaty. In addition, the operation of the CCR was proving to be a financial loss for the Soviet Union, as it was not physically integrated with the Soviet Railway System , giving Stalin a good reason to return the railway sooner instead of spending the capital investments requested by the CPC. All of these factors combined to make returning the railway to China a cheaper bargain than upgrading and integrating the CCR into the Soviet Railway system. Ultimately the strategic loss of the CCR was more than made up for by the strategic benefits of the new Sino-Soviet Alliance. These benefits were seen both immediately with the Korean War but also later with the increased trade and cooperation between the two nations. This extended to the former lines of the CCR, where the Soviet style of railway management was no longer directly copied. Over the next decade, Sino-Soviet relations would continue to deteriorate until armed conflict broke out along the Sino-Soviet border in In , the CPC released a booklet commemorating the th anniversary of V. An indication of these feelings of animosity can be seen as early as , when Peng Zhen said to the Soviet Ambassador to China, A. This fact had been recognized as early as , when the Soviet Union was building the connection between the new Trans-Mongolian Railway operated integrally with Soviet Railways and China National Railways. This connection was seen as important for defense as well as trade, because it allowed the Soviet Union to rapidly deploy troops to the Mongolian border. In that case China with its million people and with a railway leading right up to the underbelly of the Russian Soviet Empire could become an actual menace and a threat to the Soviet Union. Petrov With the beginning of the Sino-Soviet border conflict in , the railways along the two communist powers borders became hives of military activity. Meanwhile, as predicted by Petrov, the Mongolian and Xinjiang Railways shuttled troops to those areas of the Soviet and Mongolian borders. While battles did break out in Xinjiang and on the Zhenbao Island in the Ussuri River, the border clashes did not develop into a full-fledged war between the two nuclear equipped communist powers and eventually the border dispute was settled with the Sino-Soviet Border Agreement in The fixed assets included 3, In addition, China received all of the railway communication equipment telegraphs, telephones, and radios , the electric railway signals, telephone office, and business buildings including the railway headquarters in Changchun,

and local management buildings. The transfer also included the two electric power plants and power transmission equipment for the railroad. According to historian Zhang Shengfa, "these immensely valuable assets allowed China to enhance development of the railroad industry and economy, particularly in the Northeast region. As early as , these two railway lines combined to carry 6, million ton-kilometers of railway freight. The newly enlarged China National Railways continued to grow in traffic, carrying , million ton-kilometers of freight and 36, million passenger-kilometers by This made the handover of the railway a huge benefit for the PRC, as they had total control of this railway traffic. China also received the Harbin and Dalian locomotive and railway vehicle repair factories. The Dalian Locomotive factory, now known as CNR Dalian Loco , was significant as this was the main locomotive manufacturing facility for Manchukuo and was a modern facility, thereby allowing China to build its own locomotives. Many of these projects were built along the lines of the former Chinese Changchun Railway, and their placement along this railway line was no accident, as the railway provided crucial transportation for these new heavy industrial enterprises. As a modern operating railway, the CCR provided a ready-made transportation network that connected raw materials, international borders, and ocean ports, all of which were required for the new heavy industrial enterprises. By fulfilling all of these preconditions, the Northeastern cities along the CCR became a natural site for new heavy industrial enterprises. Unlike many other areas of China, no new railway links needed to be built for the factories sited along the CCR. Furthermore, the important railway junctions and terminals of the CCR were focal points of the major projects including the cities of Harbin , Shenyang , Dalian , and Changchun.

**Chapter 5 : Russian Management Style | World Business Culture**

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Combine that situation with the resource curse and it becomes tempting to put the project off altogether. Well, just take a look at Russia - a former communist country, stuck in the middle of a transition towards a more liberal market economy, endowed with an abundance of oil and natural resources, and whose economic fortunes rise and fall with the prices of those resources. Right away, he began implementing a number of radical economic reforms including price liberalization, mass privatization, and stabilization of the ruble. Yeltsin would win the election and remain in power until failing health forced him to appoint a successor - Vladimir Putin. Russians also saw their disposable incomes rapidly decline. In the midst of these negative indicators, Russia would manage to eke out 0. But just as things were beginning to look optimistic, the financial crisis that began in Asia in the summer of soon spread to Russia causing the ruble to come under speculative attack. The currency crisis would soon be exacerbated by the drop in oil prices at the end of the year, and in the middle of, Russia devalued the ruble, default on its debt, and declare a moratorium on payments to foreign creditors. Real GDP growth became negative again in, declining by 4. A significantly depreciated ruble helped stimulate domestic production leading to a spurt of economic growth over the next few years with real GDP growth reaching 8. Between and the end of, Putin enacted a number of economic reforms including simplifying the tax system and reducing the number of tax rates. He also brought about the simplification of business registration and licensing requirements, and the privatization of agricultural land. This event signaled the beginning of a wave of takeovers of private companies by the state. With average real GDP growth of 6. In fact, while many expected the Russian economy to revert to its poor performance of the s following the export stimulus effects of the ruble devaluation, it has been argued that the chief drivers of the post-crisis economic growth came from the natural resource sector, most notably oil. Between and, the natural resource sector contributed to more than a third of GDP growth - with the oil industry being directly responsible for nearly a quarter of that growth. Rather than trying to direct and diversify the economy towards less resource-dependent activities, Putin has made its key sectors even more addicted to those resources. But, as the price of oil recovered and global financial markets began to stabilize, growth did return, although not nearly to the level it had been prior to the crisis. The Bottom Line During the Yeltsin years following the collapse of the Soviet Union, it looked as though Russia was on the path to a more liberal market economy. Trading Center Want to learn how to invest? Get a free 10 week email series that will teach you how to start investing. Delivered twice a week, straight to your inbox.

**Chapter 6 : The Post-Soviet Union Russian Economy | Investopedia**

*Title: Soviet Style in Management Author: Nathan Constantin Leites Subject discusses many aspects of Soviet style in management, including inaction, not going to the end, scattering, intermittence, wasting time, failure to calculate, unevenness, lack of cohesion, superiors' rage and remoteness, and fear and fear of fear.*

A management science which is objective, sees things as they are. What he puts before us in his writings enables us to move into whatever direction we wish to take. This report is a landmark in management and community science and their methods. Clearly defined and described is the whole scale of style of management and organising, from fully authoritarian to fully participative. It applies to community organisations, commercial enterprises, political parties, whole countries. The social assumptions underlying each of the styles are given, as are problems they create, the symptoms by which they can be recognised, and the ways people work together or against each other within them. There are clear definitions of authority and of responsibility, and how they are applied in companies under different styles of management. Also discussed are the extent to which authority is balanced between top and bottom, participation in decision-making and the corresponding style of management. Style of management is shown to depend on the size of the enterprise and related to company effectiveness and results. The different problems faced by small and large companies are outlined as well as how to overcome problems of size, how to improve the effectiveness of management, and the need for teamwork. Smaller companies are more effective than larger ones, and the effectiveness of larger companies can be increased by about 25 percent by training. An illustration shows how style of management was improved by appropriate management training in a large organisation. The right to strike is a basic component of any style of management and Manfred Davidmann defines it, giving its source and authority. He looks at the extent to which people are allowed to strike, and at the extent to which they are able to strike, and what this indicates. This brings in the right to strike, unofficial strikes, role of shop stewards, economic damage resulting from introducing such labour relations legislation and the extent to which this was known in advance. Manfred Davidmann defines and develops a scale of style of management, shows how to place organisations on this and how to chart their progress in time. It is illustrated by changes occurring in eleven countries over ten years. This report was written about fifteen years ago and the examples are drawn from that period. However, they illustrate how to place organisation on the scale and how to evaluate changes in the style of management. From the point of view of results, the effectiveness of the organisation is determined by the way work is organised and by the way people work with or against each other. The way in which people co-operate with each other, with the leadership and with the community, indeed the extent of their commitment to their organisation, depend on the style of management. So here we look at different styles of management, on their impact on people, on the way in which people work together and on results. Just think of the many supplies and services required daily to enable a large city like London to survive. Food has to be produced, harvested, stored and transported. Waste products have to be collected and treated or dispersed. Electricity has to be generated and distributed, transport has to be provided. Houses have to be built. Streets have to be cleaned and maintained, the district has to be policed. And all these and much more for millions of people, daily. In our modern, industrialised, technological and highly competitive international environment it is essential that many experts from different areas of activity and different levels of society coming from different backgrounds work together to successfully achieve the completion of large projects such as exploring space, or the building of large oil gathering and refining installations. Many experts have to work together to provide our daily needs, to enable us to have good and satisfying lives. Discord in one area can inconvenience many people and it is essential that people co-operate with each other freely and effectively. Experience shows that the larger the organisation the more difficult it is to achieve the necessary degree of co-operation and that larger organisations are usually much less effective than smaller ones as people are working against each other instead of co-operating. The gains to be made by improving the style of management are thus very considerable not only from the point of view of a better return to the shareholders and to the community but also from the point of view of greater contentment and satisfaction felt by

employees. Consider the following two stories. The first is about a civil servant: When a very senior civil servant retired to his country cottage, he caused a stir in the village. Every morning one of the local boys would call and disappear for a minute or so into his cottage. They persuaded the boy to reveal what was going on: He finally told them what these words were. If a spare part is needed but cannot be obtained, if anything goes wrong, he is the one who sorts things out in his own quiet and effective way. For example, when the garage was told that it would take some six months for a new radiator to be delivered to them, he simply telephoned the factory to confirm this disturbing news. The radiator was delivered beautifully wrapped the next day by special messenger. You probably know the name of this foreman. It is Alexander Dubcek, the man who led his country in a bid for freedom in 1968. This is what he was doing a few years ago. This kind of frustration with management and workplace indicates internal conflict and struggle, indicates considerable lack of identification with the organisation and its objectives. People live and work together. Important is that the way in which they feel about their place of work, and the way in which they co-operate, depends on controllable factors, depends on the style of management. Those who live with you, work with you, or work for you will think about living and working with you in either one way or the other. Certain is that the way in which they react depends on the way in which you behave, depends on your style of management, depends on the factors which we will now explore. We are trying to achieve something which is difficult and keep on knocking our head against this brick wall which stops us. It may be the system or the organisation or some other reason which is stopping us. So we find ourselves in the position of knocking our head against a brick wall and Figure 1 illustrates this. In that kind of situation, what can one do? The wall is very solid, very high, extends almost indefinitely on either side and its foundations are deep and strong. In other words we cannot get through it, we cannot climb over it, we cannot walk around it and we cannot tunnel underneath it. So what are the alternatives, what can we do? Of course we can keep on knocking our head against the brick wall. Continuing to do so could have drastic results see Figure 2. One lands up with a sore head and it may take some time to recover from this. Another way of dealing with the situation is to leave it, to emigrate, to find another job Figure 3. People do not really like doing this and a lot of frustration can build up and be endured before people finally take the step. Their frustration has been building up for a considerable time before they take the step. It may have taken a year or two years before an employee makes up his mind to change his job and leaves. There is yet a third way out of the situation see Figure 4. These are really the only three ways out which are normally open to one. However, people who are involved in such a situation do not see it in such simple terms. People are often deeply emotionally involved in their work and home situations. Hence people react strongly and emotionally to the kind of factors we are talking about and will be discussing. What I am asking you to do now is something quite different and much more difficult. I am asking you to tear yourself out of this involvement with your situation at home or at work, with the kind of brick walls you are struggling with or which support you. I am asking you to see things as they are. Figure 5 illustrates this. It shows the human eye looking at the total situation, seeing the situation as it is. We see the brick wall, the bricks from which it has been built, and their size. We see the thickness of the wall and the cement which holds it together. We see its height and its length and have a good look at the foundations. We see the individual, see what he is doing, see the alternatives open to him and the consequences which result from choosing any one of the alternative ways of behaving. Seeing the total picture we can then act accordingly, knowing the consequences of our actions. We can decide to move in any direction or take appropriate action about the wall itself but at least we will be fully aware of the consequences of what we are doing. We will then objectively see and assess the factors which enable people to co-operate with each other and to work together effectively. The whole pattern of different ways of organising may be described as a sequence from one extreme to the other, as a kind of scale. At one end of the scale is the completely authoritarian organisation, at the other end the fully participative organisation. Having looked at the two extreme types of organisation, we will then be able to recognise and assess the style of management in organisations which combine aspects of both. Most governments, companies and organisations fall somewhere along the scale and these we will discuss later. Hence so as to understand the scale and the characteristics and symptoms by which different styles of management can be recognised, and so as to describe the advantages and disadvantages of each, we consider

firstly an organisation which is at one extreme end of the scale, namely a completely authoritarian organisation and then consider an organisation which is at the other end of the scale, namely a completely participative organisation. It is this which points to the basic difference between authoritarian and participative organisations. When I give a person work to do, I hold him accountable for the way in which he does it, that is he is responsible to me. Under private ownership, authority is derived from ownership of the means of production and the penalty for disobedience is dismissal. In each case authority is centred at the top. It is the owners who delegate authority to the chief executive, and it is immaterial whether the owners are shareholders as in some countries, or the state in countries such as Russia. He is usually not expected to make decisions and so carries little responsibility. He does order and may compel the worker to carry out the tasks demanded from him, to produce. Those who run society on such lines find that the working population does not willingly work for the benefit of only its rulers and then they attempt to compel the working population to work. The stick is unemployment and the compelling force is the fear of the economic consequences of unemployment, is the threat of need. They will then do all they can to make the stick more effective. The higher the level of unemployment and the greater the need of the working population, the greater is the fear of dismissal and the more effective is the stick. Hence it is those who believe in an authoritarian kind of organisation who advocate that the level of unemployment should be kept above a certain minimum level or that it should be increased, and who want to reduce social security spending.

### Chapter 7 : Comparative Economic Systems: Soviet Central Planning

*Russian Management Style As has been stated, management tends to be centralised and directive. The boss - especially the big boss - is expected to issue direct instructions for subordinates to follow.*

### Chapter 8 : The Stalin Model for the Control and Coordination of Enterprises in a Socialist Economy

*Leadership styles and cultural values among managers and subordinates: a comparative study of four countries of the former Soviet Union, Germany, and the US.*

### Chapter 9 : Return of the Chinese Eastern Railway - Wikipedia

*Advice to Management. Better communication between departments, or split the company into smaller and more manageable parts. It is ridiculous that they are laying off so many well-qualified people and are hiring at the same time (this is just one example of their excessive bureaucracy).*